



**Northern Indiana Public Service Company LLC**

**Updated Pre-Qualification Filing**

**September 28, 2018**



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1. Introduction and overview

Northern Indiana Public Service Company LLC (NIPSCO) submits the following information to the PJM Office of Interconnection. This document addresses the pre-qualification criteria in accordance with section 1.5.8(a) of Schedule 6 of the PJM Amended and Restated Operating Agreement for NIPSCO to qualify in respect to future projects within PJM.

NIPSCO is a subsidiary of NiSource, Inc., a company with headquarters located in Merrillville, IN.

NIPSCO is Indiana's second-largest distributor of electricity. Between its gas and electric business, NIPSCO serves more than one million customers across the northern third of the state. Our electric business provides safe, reliable and affordable supplies of energy to more than 468,000 customers in 20 counties in northern Indiana. Our electric operations include power generation, transmission and local distribution, as well as wholesale and electric transmission transactions. Our electric supply portfolio currently includes both traditional and renewable generation sources, including natural gas, hydroelectric, wind, and coal generated supplies, providing a total system operating net capability of approximately 2,800 megawatts. NIPSCO owns and operates \$1.07 billion in transmission assets as of the end of 2017.

NIPSCO's transmission network includes:

- 22 miles of 765 kV transmission lines,
- 453 miles of 345 kV transmission lines,
- 756 miles of 138 kV transmission lines, and
- 1,693 miles of 69 kV transmission lines.

NIPSCO has held the PJM pre-qualified Designated Entity status since October 2013.

2. Point of contact

**Name and address of the entity including point of contact.**

Northern Indiana Public Service Company LLC  
801 East 86th Avenue  
Merrillville, Indiana 46410

James Zucal  
Vice President of Electric Engineering and Project Construction  
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219-647-4954

Matthew Holtz  
Managing Director Transmission  
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219-647-5951



3. Technical and engineering qualifications

**Technical and engineering qualifications of the entity or its affiliate, partner, or parent company.**

NIPSCO is qualified in the areas of planning, designing, constructing, operating, maintaining and repairing of electric transmission facilities. NIPSCO is a regulated public utility that has been in existence for over 100 years. NIPSCO has internal expertise in the areas of: transmission planning, regulatory, transmission and substation engineering and design, line routing and siting, environmental, Right-of-Way acquisition, vegetation management, communications and control, system protection, relay and control, transmission operations, distribution operations, procurement, construction, contractor oversight, project management, NERC compliance, health and safety, constructing, operating and maintaining its transmission system. Functions performed include planning, designing, constructing, operating, maintaining and repairing of transmission facilities. In addition, NIPSCO excels in public outreach, working with our communities and customer relations. To support internal resources during peak periods and when specialized expertise is needed, NIPSCO has standing contracts with national and local engineering and construction companies for various facets of new and existing projects.

Also, NIPSCO has internal resources and equipment and standing contracts with several firms for manpower and equipment to support system restorations within its territory and aid in neighboring utility restorations. In addition, NIPSCO provides restoration assistance to distant utilities when needed, such as Hurricane Sandy where 100 employees were shared during restoration efforts and Hurricane Irma.

NIPSCO is also a NERC registered transmission owner/operator with a 24 hour transmission operations control center. All transmission operators are NERC certified. NIPSCO is also a NERC registered generation owner/operator with a 24 hour generation operations control center. NIPSCO also has a 24 hour distribution operations control center for its distribution system.

NIPSCO maintains a large amount of spare equipment in order to respond to emergency situations. In addition, NIPSCO is a participant in the EEI spare transformer sharing group.

4. Construction, maintenance and operations experience

**Demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities. Including a list or other evidence of transmission facilities previously developed regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM Region.**

NIPSCO has planned, engineered, constructed, operated and maintained new and existing overhead and underground transmission systems and distribution systems for over 100 years. NIPSCO owns, operates and maintains over 2,900 miles of transmission level circuits operating at 69 kV, 138 kV, 345kV, and 765kV. NIPSCO also owns, operates and maintains 61 transmission



substations with operating voltage of 138 kV and above.

From 2013 through 2017, NIPSCO completed over 500 transmission capital projects of different complexity and scope totaling over \$200 million. The new projects include: new transmission lines, rebuilding/upgrading existing transmission lines, overhead and underground transmission lines, new substations, and upgrades/modifications to existing substations. A full list of transmission facilities is listed in the FERC FORM 1 filing for NIPSCO.

NIPSCO has implemented approximately \$570 million in MISO/FERC approved MTEP transmission projects in the NIPSCO territory. These recent projects include:

Reynolds-Burr Oak-Hiple 345 kV Multi-Value Project – an approximately 100 mile high capacity 345 kV transmission line that included substation upgrades at Reynolds, Burr Oak and Hiple substations. The project went into service in June of 2018.

Reynolds – Greentown 765 kV Multi-Value Project – NIPSCO was part of a shared services project for the construction of a 66 mile 765 kV transmission line including upgrades at NIPSCO’s Reynolds substation. The project went into service in June of 2018.

Between 2015 and 2025, beyond the project MTEP-approved projects listed above, NIPSCO has an additional 450 transmission projects planned totaling improvements of \$500 million. NIPSCO is also in the process of performing four upgrade projects designated as Targeted Market Efficiency Projects (TMEPs) by MISO and PJM. These projects total roughly \$19 million in expected capital investment, all in service prior to the summer peak of 2020.

5. Previous construction, maintenance and operations practices

**Previous record of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices.**

NIPSCO designs all of its transmission facilities in accordance with its transmission standards. These standards incorporate industry best practices which are based on applicable ASCE, ASTM, ANSI, NERC, NESC and IEEE standards.

NIPSCO maintains and operates its transmission facilities in accordance with Good Utility Practice, NERC Standards and MISO requirements.

NIPSCO also has a dedicated compliance department that oversees NIPSCO’s NERC compliance program to ensure that it is fully compliant with applicable NERC standards and requirements.



Recent transmission projects include:

Dune Acres Substation – Upgrade of existing 138 kV transformer breakers and relays

Praxair and Dune Acres Substations – Upgrade of existing 138 kV circuit breaker and relays

Mitchell Substation - Complete rebuild of the old gas insulated substation with an open air (14) 138 kV breaker in double bus - double breaker configuration.

Lake George – Replacement of all (14) 138 kV breakers

Bailly Gen Station – Conversion of the old generator in to synchronous condenser to provide system support.

As part of the NIPSCO's Protection and Control Modernization Plan, (35) 138 kV and (7) 345 kV electromechanical relays have been upgraded to Microprocessor based protective relays, in the period of 2013 to 2017.

Projects in progress with completion date within the next 3 years include:

- Lake George – Replacement of (4) transformers; (2) 345 kV / 138 kV and (2) 138 kV / 69-34 kV
- Lagrange – 138 kV ring bus project
- Praxair – 138 kV ring bus project
- Munster – Capacity upgrade of 345 kV / 138 kV transformer, and an addition of 345 kV ring bus
- Leesburg - Replacement of 345 kV / 138 kV transformer; (3) 345 kV breakers and (5) 138 kV breakers

6. Capability of construction, maintenance and operations practice

**Capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices.**

As stated in section 5, for over 100 years has NIPSCO adhered to all applicable design, construction, operating codes, standards, regulations, laws and guidelines.



7. Financial statements

**Financial statements of the entity or its affiliate, partner, or parent company. Please provide the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection.**

The following are links to the audited financial statements of NiSource, Inc., the parent company of NIPSCO, for the most recent quarter, as well as the last three years.

<https://www.sec.gov/Archives/edgar/data/1111711/000111171118000034/ni-2018630x10q.htm>

<https://www.sec.gov/Archives/edgar/data/1111711/000111171118000008/ni-20171231x10k.htm>

<https://www.sec.gov/Archives/edgar/data/1111711/000111171117000037/ni-20161231x10ka.htm>

<https://www.sec.gov/Archives/edgar/data/1111711/000111171116000049/ni-20151231x10kq4.htm>

Following are additional links to the financial statements of NIPSCO for the last three years:

<https://emma.msrb.org/ES1122503-ES877761-ES1279027.pdf>

<https://emma.msrb.org/ES1016636-ES795608-ES1196960.pdf>

<https://emma.msrb.org/ES770778-ES605593-ES1001366.pdf>

8. Consolidated Transmission Owners Agreement

**Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity.**

NIPSCO agrees to execute the Consolidated Transmission Owners Agreement if NIPSCO becomes a Designated Entity then constructs and owns the facility for which it was designated.

9. Address and timely remedy failure of facilities

**Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities.**

NIPSCO is prepared to address all system emergencies at all times. NIPSCO has robust storm response procedures in place with the goal of restoring the transmission system to normal in a safe and expeditious manner. This procedure begins with NIPSCO's 24 hour control center providing the initial real time response to transmission line outages. Dispatch Operations, Field



Operations and Flight Operations provide a coordinated timely response to identifying, correcting and repairing system problems.

NIPSCO maintains a large amount of spare equipment in order to respond to emergency situations. In addition, NIPSCO is a participant in the EEI spare transformer sharing group.

NIPSCO is a member of both the Great Lakes and the Midwest Mutual Assistance Groups. NIPSCO utilizes a number of qualified construction contractor companies on an as-needed basis.

10. Right of way experience

**Description of the experience of the entity in acquiring rights of way.**

NIPSCO's right of way acquisitions are managed by its Survey and Land Department. The NIPSCO Survey and Land Department has significant professional experience in the areas of utility real property rights. Department responsibilities include the acquisition and sale of fee properties, acquiring distribution and transmission easements, grants, leasing, encroachment administration, document management, and railroad permitting. The Department supplements its staffing when required through the use of contracted professionals in the real estate field.

NIPSCO has approximately 20,000 electric line related easements; 1,164 grants to outside parties NIPSCO as Grantor; 130 miles of fee owned right of way; two hydroelectric sites; and 3,500 acres of generating station property. The department also acquires all properties necessary for substations and other related real estate interests as necessary.

NIPSCO's organization also includes legal counsel specifically trained and experienced in real property laws.